

VZCZCXRO2482
RR RUEHGI RUEHTRO
DE RUEHNJ #0135/01 1071042
ZNR UUUUU ZZH
R 171042Z APR 09
FM AMEMBASSY NDJAMENA
TO RUEHC/SECSTATE WASHDC 6865
INFO RUEHDS/AMEMBASSY ADDIS ABABA 1030
RUEHYD/AMEMBASSY YAOUNDE 1751
RUEHKH/AMEMBASSY KHARTOUM 0536
RUEHTRO/AMEMBASSY TRIPOLI 0601
RUEHLO/AMEMBASSY LONDON 1805
RUEHFR/AMEMBASSY PARIS 2364
RUEHGI/AMEMBASSY BANGUI 1568
RUEATRS/DEPT OF TREASURY WASHDC
RHMFISS/HQ USAFRICOM STUTTGART GE

UNCLAS SECTION 01 OF 02 NDJAMENA 000135

SIPDIS
SENSITIVE

STATE FOR AF/C AND AF/USSES
NSC FOR GAVIN AND HUDSON
LONDON FOR POL -- LORD
PARIS FOR POL -- D'ELIA AND KANEDA
ADDIS ABABA ALSO FOR AU

E.O. 12958: N/A

TAGS: [PGOV](#) [ECON](#) [EPET](#) [EFIN](#) [IMF](#) [IBRD](#) [CBD](#) [EAID](#) [PREL](#) [CD](#)
SUBJECT: IMF EFFORTS IN CHAD: HITTING EVERY OBSTACLE ON
THE ROAD TO BUDGET REVISION

REF: A. NDJAMENA 0115
[1](#)B. NDJAMENA 0113

SUMMARY

[1](#)1. (SBU) Christian Josz, IMF Deputy Division Chief in the African Department and head of the IMF delegation to start a Staff Monitored Program (SMP) in Chad, briefed the diplomatic corps April 15 on the results of his team's efforts. Josz stated that despite a positive start to his visit, he had been unable to get the GOC to make necessary cuts to meet the IMF's guidelines for a SMP. Josz said that the GOC had refused to cut investment spending, claiming that projects were "already in the pipeline." Further, according to Josz, the GOC had also demurred on revising salaries. He revealed that it was now up to IFI officials in Washington -- during the upcoming spring meeting -- to convince the GOC to revise its budget. END SUMMARY.

[1](#)2. (SBU) Christian Josz, IMF Deputy Division Chief in the African Department and head of the IMF delegation to start a Staff Monitored Program (SMP) in Chad briefed the diplomatic corps April 15 on the results of his team's efforts. Josz stated that despite a positive start to his visit, he had been unable to get the GOC to make necessary cuts to meet the IMF's guidelines for a SMP.

POSITIVE START...

[1](#)3. (SBU) Upon his arrival April 7, Josz had told us that his goal during the delegation visit was to get the GOC to revise its 2009 budget with the aim of presenting a 2009 supplemental budget to the National Assembly by the end of May. The revision is necessary because oil revenues comprise 75 percent of the GOC's fiscal revenue. The existing 2009 budget is based on oil prices prior to the drop of last fall. Josz made clear at the time that he remained convinced that Chad's capital investment and infrastructure spending would have to be cut and told us that he had communicated such to the GOC. He noted that he had had positive, receptive meetings with the Ministers of Finance, Commerce, and Energy,

although the Minister of Infrastructure had been somewhat intractable.

HITS EVERY OBSTACLE

¶4. (SBU) At the April 15 briefing, Josz said that in the end the GOC had refused to cut investment spending, claiming that projects were "already in the pipeline," and had also demurred on revising salaries. Josz repeated the concerns of other international interlocutors (reftels) when describing the GOC's plan for funding its original 2009 budget. He said that the GOC was intent on using the 2008 budget surplus; relying on a line of credit from the Bank of Central African States (BEAC); and leaning on ESSO-Chad to defer implementation of a 2008 repayment schedule.

¶5. (SBU) Josz revealed that it was now up to IFI officials in Washington -- during the upcoming spring meetings -- to convince the GOC to revise the budget. He expressed his strong concern that the GOC was acting only in terms of the present with no thought for 2010 or beyond. Josz made clear that he would return to Chad in the fall to work with the GOC on its 2010 budget, regardless of the outcome of the budget impasse.

COMMENT

NDJAMENA 00000135 002 OF 002

¶6. (SBU) Josz was clearly frustrated during his April 15 meeting and didn't seem to have a definite plan for moving beyond the current impasse. USG officials will have an opportunity to tell the GOC delegation to the IFI meetings that Chad needs to revise its budget, not just for balancing revenue and spending this year, but also to set the stage for responsible spending in the future and debt-relief eligibility. END COMMENT.

¶7. (U) Minimize considered.
NIGRO